

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Fitchburg Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: December 10, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



FITCHBURG CONTRIBUTORY RETIREMENT SYSTEM
FUNDING SCHEDULE

Fiscal Year	Unfunded Liability	Recognition of asset (loss)/gain*	Normal Cost	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2022	147,697,333	-	2,075,966	13,078,521	109,305	15,263,793	6.00%
2023	144,042,128	2,857,416	2,159,005	13,911,310	109,305	16,179,620	6.00%
2024	136,382,560	-	2,245,365	14,795,727	109,305	17,150,397	6.00%
2025	130,097,910	-	2,335,179	15,734,937	109,305	18,179,421	6.00%
2026	122,368,382	-	2,428,587	16,732,295	109,305	19,270,186	6.00%
2027	113,030,613	-	2,525,730	17,791,362	109,305	20,426,398	6.00%
2028	101,905,998	-	2,626,759	18,915,917	109,305	21,651,982	6.00%
2029	88,799,387	-	2,731,830	20,109,966	109,305	22,951,100	6.00%
2030	73,497,681	-	2,841,103	21,377,758	109,305	24,328,166	6.00%
2031	55,768,317	-	2,954,747	22,723,804	109,305	25,787,856	6.00%
2032	35,357,628	-	3,072,937	24,152,886	109,305	27,335,128	6.00%
2033	11,989,075	-	3,195,854	11,989,075	109,305	15,294,234	-44.05%
2034	-	-	3,323,688	-	109,305	3,432,994	-77.55%

Amortization of Unfunded Liability as of July 1, 2021

* The currently unrecognized asset gains of \$2,762,368 will be recognized in the 1/1/2022 valuation. The asset gain will be adjusted with interest to the beginning of Fiscal 2023 to the amount shown in the schedule and will reduce the Fiscal 2024 Unfunded Liability

** Contributions are set to be the amount resulting from a 6% increase on the prior year's contribution. The contribution in FY2033 decreases by -44.05%.

Bases in the funding schedule:

- Amortization of the unfunded actuarial accrued liability: 12 years.